



**Minutes of the
Crystal River City Council
Regular Council Meeting
Monday, January 22nd, 2018 @ 7:00 p.m.
Council Chamber, City Hall**

1. CALL TO ORDER

Mayor Farley called the meeting to order at 7:00 p.m.

Council Present: Mayor Farley, Vice Mayor Brown, Council member Gudis, Council member Holmes

Council Absent: Council member Fitzpatrick

Staff Present: Finance Director Michelle Russell, City Attorney Cliff Taylor, City Clerk Fink, Public Works Director Beau Keene, and Planning and Development Services Director Jackie Gorman.

Mayor Farley led in the Pledge of Allegiance and Council member Holmes led the invocation.

2. ADOPTION OF AGENDA

Motion to adopt the agenda was made by Council member Gudis; seconded by Council member Holmes. Motion carried 4-0.

3. PRESENTATIONS

A. State of the City Address.....Mayor Farley
Mayor Farley presented the 2018 State of the City Address (ATTACHMENT A).

4. UNFINISHED BUSINESS

5. APPROVAL OF CONSENT AGENDA

- A. Motion to approve minutes from the Regular City Council meeting held January 8, 2018
- B. Monthly Departmental Report Summary for the month of December
- C. Motion to appoint Gregory Acker to Planning Commission Alternate Seat No. 2

Background: [Agenda Sheet **Requested Motion: Motion to appoint Gregory Acker to the Planning Commission Alternate Seat No. 2.**

Summary: In October of 2017 Planning Commission Alternate Seat No. 2, with a term ending September 30, 2020, became vacant.

The City Clerk’s Office received an application from Gregory Acker on December of 2016. Mr. Acker was contacted by staff during the spring of 2016 who advised that he may be available to serve on Planning Commission following the summer of 2016. Mr, Acker contacted staff in January of 2018 to confirm availability and interest in serving on the Planning Commission.

Staff has reviewed the application and found that Mr. Acker is eligible to serve on the Planning Commission.

Staff Recommendation: Staff recommends approval.

End of Agenda Sheet]

Motion to approve the consent agenda was made by Vice Mayor Brown; seconded by Council member Holmes. Motion carried 4-0.

6. **PUBLIC INPUT**

(Time Limit of Three Minutes)

Dee Atkins- 9851 Nokomis Point-Expressed concerns regarding performance of USFWS in management of Three Sisters Springs Refuge and spoke in favor of agreement termination.

Josh Oakhurst- Pine Ridge- Commented on BP funding of Riverwalk project Phase II and inquired about ways to finance continuing construction.

Mike Milsap – Captain Mike’s Sunshine Tours- Expressed concerns regarding manatee videos distributed by Ms. Colson and the Guardian Guides program.

Christine Oakhusrt-Pine Ridge- Inquired about vacant property registry program and Mayor Farley provided confirmation that community stakeholders were discussing development of such a program.

7. **PUBLIC HEARING**

8. **CITY ATTORNEY**

9. **CITY MANAGER**

A. Consideration of motion to approve waiver of administrative fees associated with Phase 1 funding for the Kings Bay Restoration Project completed by Save Crystal River, Inc.

Background: [Agenda Sheet **Requested Motion: Consideration of motion to approve waiver of City administrative fees associated with Phase 1 funding for the Kings Bay Restoration Project completed by Save Crystal River.**

Summary: On August 28, 2017, Council adopted Resolution #17-R-19 and awarded Save Crystal River, Inc. \$50,000 to cover 50% of the cost to develop permits for the remaining Kings Bay Restoration Project. During the January 8, 2018 Council meeting, Mr. Steve Lamb, President of Save Crystal River informed Council that Finance was holding payment to their organization due to non-payment in the amount of \$6,924.40, a balance remaining for administrative costs associated with the initial phase of the restoration project. He stated; SCR had no intention of not paying the balance, but he was requesting a breakdown of the fees and looking for consideration of Council to waive the fee.

Save Crystal River, Inc. was awarded \$1,600,000 to provide financial assistance for Phase 1 of the Save Crystal River Kings Bay Pilot Restoration Project in September 2015. The City and SCR entered into an agreement July 11, 2016 whereas the City agreed to assist Save Crystal River, the Grantee of the Florida Department of Environmental Protection (FDEP) grant with upfront costs for ongoing maintenance and education activities for the restoration project. The City agreed under contract to assist the Grantee with upfront costs which would be reimbursed by FDEP passing through the Grantee to the City.

As described in Task 11 of the FDEP grant award letter, the Grantee will contract with one or more qualified companies or individuals to monitor the project progress, coordinate with the City of Crystal River personnel and project subcontractors and record project activities at the project site and verify the activities are in accordance with the Grant Work Plan. As per the City and SCR agreement, Item #3, Grantee Responsibilities, the Grantee shall repay the City all funds the City pays to the Grantee, along with costs incurred by the City in its performance, within ten days of Grantee’s receipt of reimbursement from FDEP or 180 days from the project’s completion.

The City agreed to the repayment of these funds, plus any costs the City incurred during the performance of this agreement once Save Crystal River was in receipt of reimbursement by FDEP. The City advanced SCR a total of \$133,122.84 for this project during the period of August 18, 2016 and November 18, 2016. Staff incurred costs totaling \$6,924.40 for processing the agreement, monitoring the progress of the restoration projects and processing of payment. Finance invoiced SCR in June, 2017 a total of \$140,047.24 for reimbursement of the advance, plus the allowable administrative costs. As of the last Council meeting, SCR had reimbursed for the total advance, resulting in a balance consisting of the administrative costs of which Mr. Lamb is now looking for a waiver.

Friday, January 19, 2018 the City received payment of the \$6,924.40. Save Crystal River staff agreed to pay the outstanding balance; they noted their organization really needed the \$50,000 and understood they may not be reimbursed. Finance agreed payment would be processed within the next check run set for January 18, 2018.

Staff Recommendation: Staff does not recommend waiver of the administration costs due the City as such costs were approved by FDEP within the grant under Task 11 and SCR and the City agreed to reimbursement of these costs per Item #3 of their agreement. These costs were reasonable and within the grant guidelines.

End of Agenda Sheet]

Michelle Russell provided a brief overview of the item and request from last meeting. Council member Gudis spoke in favor of the request.

Motion to approve waiver of City administrative fees associated with Phase 1 funding for the Kings Bay Restoration Project completed by Save Crystal River was made by Council member Gudis; seconded by Vice Mayor Brown.

Vice Mayor Brown spoke in favor of the request and inquired about legal fees referenced in the itemized financial detail provided to Council members, noting benefits of improved communications. Concern was also expressed regarding the difference between and reimbursement of a waiver of a contractual obligation.

Amended motion to approve ~~waiver~~ reimbursement of City administrative fees associated with Phase 1 funding for the Kings Bay Restoration Project completed by Save Crystal River was made by Council member Gudis; seconded by Vice Mayor Brown.

Council member Holmes referred to the staff recommendation, noting that he would have been in favor of waiving legal fees. Mayor Farley spoke in favor of reimbursement and longtime city commitment to the organization and their projects.

Motion carried 4-0.

B. Motion to authorize city staff to negotiate purchase of Key Center Property on 148 NE 5th Street

Background: [Agenda sheet] Requested Motion: Motion to authorize city staff to negotiate purchase of Key Center Property on 148 NE 5th Street.

Summary: After Hurricane Hermine two buildings on NE 5th Street (the former United States Coast Guard Auxiliary location) were determined to be damaged beyond the fifty percent threshold established by FEMA. These properties totaling .77 acre were then transferred to the Key Training Center for their benefit. In total there are four and half lots and the two small damaged building structures. Key Training Center contacted the City a few months ago to determine if there was an interest in the properties for continued development

of the downtown. They had not yet completed a real estate appraisal and had a current price of \$125,000.00. Since the original meeting Key Training Center has received a completed real estate appraisal by Snell and Associates which has appraised the value at \$105,000.00.

The property adjoins a City paper road and the Cross Town Trail, with the 5th Street Parking Lot located across the street. In the Bayside Master Plan proposal for downtown this property is proposed for the new Creative Playground and Water Park. It could also be used for additional parking for the downtown area and access to the Cross Town Trail.

The Citrus County Property Appraiser shows the value of the property to be within 10% of the market analysis and presently yields no property taxes.

Staff Recommendation: Move forward with negotiations with the goal of purchasing the property for appraised value. End of Agenda Sheet]

Ms. Russell provided a brief overview of the item, noting strategic location and emphasizing that the request is for authorization to proceed. Mayor Farley spoke in favor of the purchase and opportunity. Vice Mayor Brown spoke in favor of the item, noting potential utilization of CRA funding for purchase. Council member Holmes commented on trees and structures on the parcel and needing attention and spoke in favor of the item. Council member Gudis spoke in favor of the item.

Motion to authorize city staff to negotiate purchase of Key Center Property on 148 NE 5th Street was made by Vice Mayor Brown; seconded by Council member Holmes. Motion carried 4-0.

10. CITY COUNCIL

11. COMMITTEE REPORTS

A. Mayor Farley

- *Waterfronts Advisory Board*

B. Vice Mayor Brown

- *Withlacoochee Regional Water Supply Authority* – Reported on discussion regarding continuation of Citrus County’s membership status (in reference to Commissioner Kinnard’s previous report regarding Citrus County contract with WRWSA), and assertion made that municipal representatives may not serve as officers.
- *Crystal River Main Street*- Reported on discussion regarding post office and century link properties, and though not in Main Street area, formal statement regarding stance on Three Sisters Springs management structure.

C. Council member Fitzpatrick

- *Metropolitan Planning Organization*

D. Council member Gudis

- *Tourist Development Council* – Reported on discussion on relaxing grant requirements, and upcoming tourism consultant report.
- *Library Governing Advisory Board*
- *Florida League of Cities*
- *Citrus County Community Charitable Foundation Board*- Reported on the availability of 4 million in grant funding for health related non-profits and hopes that mental health will be a focus.

E. Council member Holmes

- *Keep Citrus County Beautiful*- City Clerk Fink reported on annual meeting that included officer elections, discussion on taking on Save Our Waters Week, and upcoming Annual Kids Fishing Clinic at the Fort Island Trail Park on 2/25/18.
- *Springs Coast Steering Committee*- Reported on discussion regarding upcoming projects including Indian Waters sewer expansion.

12. COMMUNICATIONS

Mayor Farley reported on high volume of form letters received regarding Three Sisters Springs management structure.

Vice Mayor Brown noted that form letters may be considered piece of communication. Vice Mayor Brown then addressed the Friends of the Crystal River National Wildlife Refuge to clarify information circulating regarding Council's intentions for the property, discussed recent open house event, the need for mutual respect and communication of facts, noting volunteer's obligation to represent the city in a positive way or risk removal from the property.

To the Friends – good people- it is never intention to have a waterslide or zip line on the property- discussed open house event- overheard volunteers saying city would be installing those if they took over- be truthful, honest- show mutual respect- people calling – saying stupid or greedy- any person on official duty is obligated to represent the city in a positive life- they will be removed if caught- move forward having mutual respect- no need to miscommunicate and getting people riled up-

Council member Holmes reported on an invitation via email to submit an editorial to the Chronicle.

Council member Gudis noted that his upcoming meeting to discuss management plan proposals with Ms. Palmer will also include City Manager Burnell.

13. COUNCIL MEMBER REPORTS

A. Mayor Farley

B. Vice Mayor Brown- Discussed the need for consistency and uniformity among pedestrian crosswalks, noting a crosswalk at 3rd St and 2nd Ct., and recommended staff develop a policy. Consensus reached for staff to move forward.

C. Council member Fitzpatrick

D. Council member Gudis reported on attendance to the annual Citrus County Leadership Summit, priority of cleaning waterways and discussion held regarding the need for a mental health crisis facility, noting the possibility of N.A.M.I. utilizing city office space.

Vice Mayor Brown reported on Leadership Summit and discussion on topics including economic growth, environment and education, while commending Council member Gudis for focusing the discussion on mental health needs.

E. Council member Holmes

14. PUBLIC INPUT

(Five Minute Time Limit)

Dee Atkins- Inquired about the role of WRWSA and if other avenues existed for the City to have a voice in water transfer issues. Vice Mayor Brown provided clarification regarding WRWSA's mission and authority.


Tom Gotterup- 6083 W Fairhope Ct- In response to Vice Mayor Brown's comments regarding the Friends of the Crystal River National Wildlife Refuge, discussed differing opinions, the need to listen and all of the accomplishments made by USFWS thus far. He also discussed sequestration impacts and spoke on behalf of Refuge Manager Joyce Palmer expressing hope for a fair and equitable resolution to existing issues.

Jack Huegel- 743 SE 1st Ct- Discussed a recent Chronicle advertisement funded by the Friends of the Crystal River National Wildlife Refuge regarding future management of Three Sisters Springs, noting that USFWS management role was experimental, expressing concerns with some of the data and figures cited in the ad, and encouraged consideration of other partners like SWFWMD. He commended city management efforts, expressed concerns regarding a petition distributed on the property by Friends volunteers during Refuge Days, and recalled a previous Refuge Manager's assertions made regarding authority related to the property.

15. ADJOURNMENT

Mayor Farley adjourned the meeting at 8:15 pm

CITY OF CRYSTAL RIVER



JIM FARLEY, MAYOR

ATTEST:



MIA FINK, CITY CLERK



ATTACHMENT "A"

State of the City

The State of the City is overall excellent. 2017 was a pivotal year for Crystal River, a year that brought several things that were coalescing into focus for the future. Breaking ground on the Riverwalk was a game changer, a project that will unite the waterfronts and the developing downtown into a whole. 2017 was a good year for Crystal River that segues into 2018. Here are the highlights:

Riverwalk

For decades residents and city officials talked and dreamed about a Riverwalk in Crystal River, a beautiful boardwalk on the edge of the bay where visitors and residents alike could stroll, relax, and enjoy the closeness to nature. But, for decades, nothing meaningful was accomplished. All that has changed. The Riverwalk project became a reality in April of 2017 when workers broke ground on Phase 1, the landward portion. So far 2577 lineal feet have been finished and all of Phase 1 will be completed by February 2, 2018. Jack Dumas is coordinating day-to-day operations with the contractor and property owners. Because of bureaucratic red tape, funding from the BP settlement will not be available until Spring of 2019 for the beginning of Phase II, the waterfront portion of the Riverwalk. When completed late in 2019, the Riverwalk will form a walkable connection between the bay and all the downtown businesses.

Businesses

Seafood Sellers, which formerly was in the Mall, has a building unit in Kings Bay Plaza and moved in. It has proved extremely popular.

The former Fat Cats restaurant on South Citrus was badly damaged by Hurricane Hermine. A new owner has redeveloped it from the inside out and reopened it as the Hardwood Smokehouse. It too was a success from the start.

The already extremely popular Norton's Riverside Sports Bar & Grill expanded its outside deck area to accommodate more customers.

Th Hardwood Smokehouse, and Norton's, as well as Vintage on Fifth and Burke's of Ireland have brought a vibrant nightlife to downtown Crystal River.

Main Street Crystal River and the downtown businesses have initiated an event called Sip & Stroll which encourages people to visit more businesses and is improving the synergy among those businesses.

ABC liquor store completed its rebuilding. It is now more spacious, more modern, and includes new features, such as a wine tasting station and a growler refilling station.

Three Sisters Springs

The City currently has 12 full or part-time employees devoted to Three Sisters Springs, not including Park Rangers, Marine Patrol, or clerical duties.

2017 was the first year the site remained open year-round. City personnel staffed the refuge and the Welcome Center and trolley service was provided three days a week. The City purchased the trolley in 2017 to reduce operational costs incurred by leasing.

The City is currently working through Tallahassee to obtain capital funds for the refuge.

The Park Rangers began conducting nightly security checks of the parks, as well as trash removal.

Three Sisters and the manatees are the driving force for the enormous growth of tourism in Crystal River.

There are disagreements with U.S. Fish and Wildlife that are under discussion, but currently unresolved.

The Kings Bay Restoration Project

Save Crystal River, in partnership with the City, continues cleaning up the waterways and bringing back the ecosystem. Here are the top five outcomes from the project this past year:

15.45 acres of canals have been restored since the beginning of the project.

73% dissimilarity in structure between restored and unrestored canals according to an independent review of the biological habitat. The report concluded that the restored and unrestored canals were statistically different in every measurable way.

78 new spring vents have been opened this year alone, including the small bubblers.

93% eelgrass plant survival rate for the Kings Bay Restoration Project. As a point of reference, the global success rate is about 50%.

5 million eelgrass plants have sprouted from 1800 planted two years ago in the pilot project phase.

We thanks Save Crystal River for their ongoing success in restoring our waterways and look forward to continuing to support their efforts.

Utilities

U.S. Waters finished its first year of Utility Services for the Water and Sewer Enterprise Fund. They have made important operational improvements related to these systems. There was a concern that lead and/or copper may be contaminating the water system. They did a thorough investigation and determined that there was no contamination issue. They also got the fire supply water system redefined and labeled for fire safety. Water loss is being investigated to determine the source or sources, and replacement of large water meters is being addressed. The entire wastewater plant was brought back on line and the systems have been balanced to provide efficient and economical operation.

During Hurricane Irma 75% of all City lift stations went down due to power loss. In response, Public Works applied for a mitigation grant to acquire 33 backup lift station pumps that can continue running even during power failures. This is a 2.6 million dollar, 75/25 % grant.

Festivals

City festivals continue to draw large crowds of attendees. In 2017 the Pirate Festival drew an estimated 5000 people even though the weather was very hot. City staff is looking for a date during a cooler time of year to reschedule it going forward. The Christmas Tree Lighting/Grinchmas Festival drew 6000-7000 revelers. It has become the largest City sponsored festival. The Stone Crab Jam attracted an estimated crowd of 11,000. The Manatee Festival was also a success. While there is no reliable way to estimate the size of the Christmas Parade crowd, some of the volunteers who traditionally work it say it has been growing every year.

Hurricane Hermine Update

While Hurricane Hermine is long gone, the damage she did is still being felt. To date 12 homes have been demolished, 15 homes with over 50% damage are awaiting final determination, and 8 new homes are in differing stages of construction.

City Hall

Council and staff have recognized that City Hall is aging infrastructure that is prone to flooding. A decision was made to explore options for relocating and/or rebuilding. At the urging of the Chamber of Commerce, the Crystal River Area Council, and Main Street Crystal River, the City Council decided to focus on the Southwest corner of Citrus Avenue and Highway 19 by commissioning a feasibility study to determine whether that location is workable and suitable. A good deal of misunderstanding and conjecture ensued, with some believing the City has already made the decision to build there. That is not the case. The City will do nothing pending the results of the feasibility study. Two other locations that are possibilities are the Mall and the present location, set farther back and higher up.

Finances

Crystal River continues to enjoy a strong financial position. The General Fund has over \$100,000 in positive net position, and \$3, 707, 913 in unrestricted reserves. In addition, FEMA owes the City \$300,00 for storm cleanup reimbursement. Revenue from parking meters has increased to \$110,000 in FFY 2017. That is more than enough to pay for the Park Ranger program.

Summary

Crystal River is continuing to reinvent itself. Today the main draw for tourism is Three Sisters Springs and the manatee. Tomorrow it might be the Riverwalk and its connection to a vibrant downtown. Certainly, there are challenges ahead. Like everywhere else the marketplace is changing. Brick and mortar stores are closing and being replaced by internet shopping. Crystal River, Inverness, and the county, as well as Main Street Crystal River recognize that and are in the early stages of developing mutual strategies to address the problem of vacant and deteriorating buildings. Ours is a small city, but one with spirit, sound fiscal health, and a vision for the future. And that future looks bright for Crystal River.